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BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
OF THE STATE OF CALIFORNIA

In the Matter of:)	ESCROW LICENSE NO. 963-2059
THE COMMISSIONER OF BUSINESS)	
OVERSIGHT,)	ACCUSATION
Complainant,)	
v.)	
ANDERSON LEE,)	
Respondent.)	

The Commissioner of Business Oversight ("Commissioner" or "Complainant") is informed and believes, and based upon such information and belief, alleges and charges Respondent as follows:

I

Introduction

1. Citadel Escrow Inc ("Citadel Escrow") is a California corporation and an escrow agent licensed by the Commissioner under the Escrow Law of the State of California (Fin. Code, § 17000 et seq.) ("Escrow Law"). Citadel Escrow received its escrow agent's license on March 9,

1 2004.

2 2. Citadel Escrow's principal place of business is 2910 E. Inland Empire Boulevard,
3 Suite 110, Ontario, California 91764. Citadel Escrow has two approved branch offices located at: (a)
4 17100 Pioneer Blvd., Suite 312, Artesia, California 90701; and (b) 7910 Girard Ave., #8, La Jolla,
5 California 92037.

6 3. Anderson Lee ("Lee") is a Senior Escrow Officer at Citadel Escrow's Artesia office
7 and has been employed by Citadel Escrow since at least November 2013.

8 4. The Commissioner now seeks to bar Lee from any position of employment,
9 management, or control of any escrow agent for violating provisions of the Escrow Law, as set forth
10 more fully below.

11 II

12 Factual Background

13 5. On or around November 24, 2015, a buyer signed a purchase agreement and escrow
14 instructions to purchase a property located at 20100 Avenida Castilla in the La Cresta neighborhood
15 of Murrieta, California (the "Property"). The buyer was required to submit a \$20,000.00 earnest
16 money deposit with Lee, Senior Escrow Officer at Citadel Escrow.

17 6. On or around December 4, 2015 Lee represented to the seller's agent that Citadel
18 Escrow received the earnest money deposit for the Property.

19 7. On or around December 28, 2015, the buyer lifted the escrow contingencies on the
20 Property.

21 8. Relying on Lee's statement that Citadel Escrow was in receipt of the earnest money
22 deposit, the sellers placed a deposit on a new home.

23 9. On or around December 29, 2015, the seller's agent learned that the deposit was not
24 available. When asked why the funds were not on deposit, Lee admitted that "the funds never came
25 in."

26 10. Contrary to Lee's representation on December 4, 2015, Citadel Escrow never
27 received a deposit for the subject transaction. The buyer subsequently refused to purchase the
28 Property, and the sellers were not provided with the earnest money deposit.

III**Law**

11. Financial Code section 17414, subdivision (a)(2) provides:
- (a) It is a violation for any person subject to this division or any director, stockholder, trustee, officer, agent, or employee of any such person to do any of the following:
- ...
- (2) Knowingly or recklessly make or cause to be made any misstatement or omission to state a material fact, orally or in writing, in escrow books, accounts, files, reports, exhibits, statements, or any other document pertaining to an escrow or escrow affairs.
12. Financial Code section 17423 provides in pertinent part:
- (a) The commissioner may, after appropriate notice and opportunity for hearing, by order, censure or suspend for a period not exceeding 12 months, or bar from any position of employment, management, or control any escrow agent, or any other person, if the commissioner finds either of the following:
- (1) That the censure, suspension, or bar is in the public interest and that the person has committed or caused a violation of this division or rule or order of the commissioner, which violation was either known or should have been known by the person committing or causing it or has caused material damage to the escrow agent or to the public.
- ...
- (b) Within 15 days from the date of a notice of intention to issue an order pursuant to subdivision (a), the person may request a hearing under the Administrative Procedure Act (Chapter 5 (commencing with Section 11500) of Division 3 of Title 2 of the Government Code). Upon receipt of a request, the matter shall be set for hearing to commence within 30 days after such receipt unless the person subject to this division consents to a later date. If no hearing is requested within 15 days after the mailing or service of such notice and none is ordered by the commissioner, the failure to request a hearing shall constitute a waiver of the right to a hearing.
- (c) Upon receipt of a notice of intention to issue an order pursuant to this section, the person who is the subject of the proposed order is immediately prohibited from engaging in any escrow processing activities, including disbursing any trust funds in the escrow agent's possession, custody or control, and the financial institution holding trust fluids shall be so notified by service of the notice, accusation and other administrative pleadings. The prohibition against disbursement

1 of trust funds may be set aside, in whole or in part, by the
2 commissioner for good cause.

3 **IV**

4 **Conclusion**

5 The Commissioner finds that, by reason of the foregoing, Respondent Lee has knowingly
6 violated a provision of the Escrow Law, or has caused material damage to the escrow agent, and it is
7 in the best interest of the public to bar Lee from any position of employment, management, or
8 control of any escrow agent under Financial Code section 17423.

9 WHEREFORE, IT IS PRAYED that Respondent Anderson Lee be barred from any position
10 of employment, management, or control of any escrow agent.

11 Dated: August 5, 2016
12 Los Angeles, CA

JAN LYNN OWEN
Commissioner of Business Oversight

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14 By _____
15 Danielle Stoumbos
16 Senior Counsel, Enforcement Division
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